

*Redefining
Ingenuity™*

Purchasing – Fair and Reasonableness

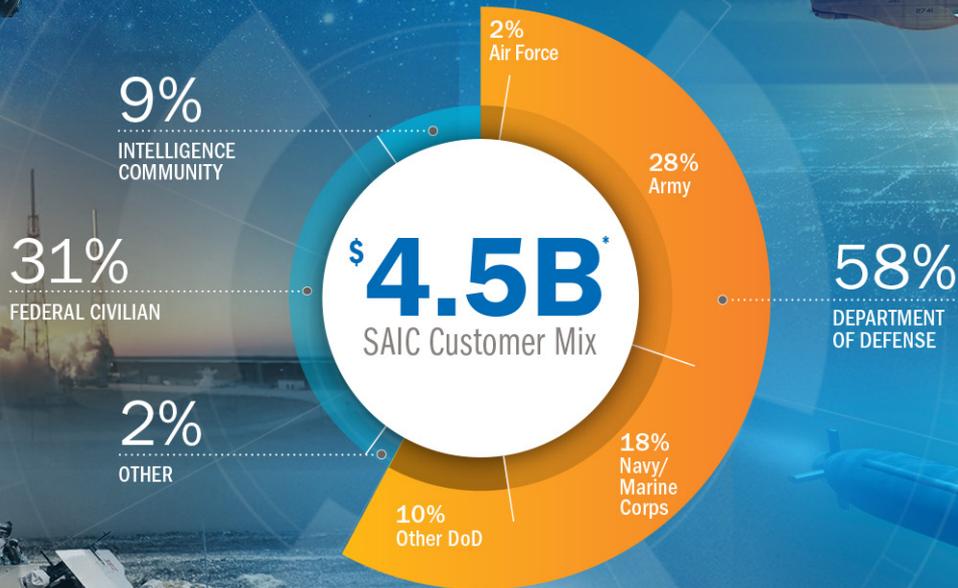
Presented to Jackson State University
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SAIC
Redefining Ingenuity™

SAIC Overview



* fiscal year ending Feb. 3, 2017

Market Segments

Our business can be categorized into four areas that describe what we do and the markets we serve.

Engineering, Integration, & Mission Services

- Technical and engineering support
- Training and simulation
- Program and financial management
- Research

Logistics, Readiness, & Sustainment

- Product Sustainment and Support
- Supply Chain Management



Information Technology

- Infrastructure support
- Applications O&M
- Consulting and application development
- Cybersecurity

Platform Integration

- Land
- Sea
- Weapons system

SAIC Flexible Procurement Processes

Effective and Reasonable Approach

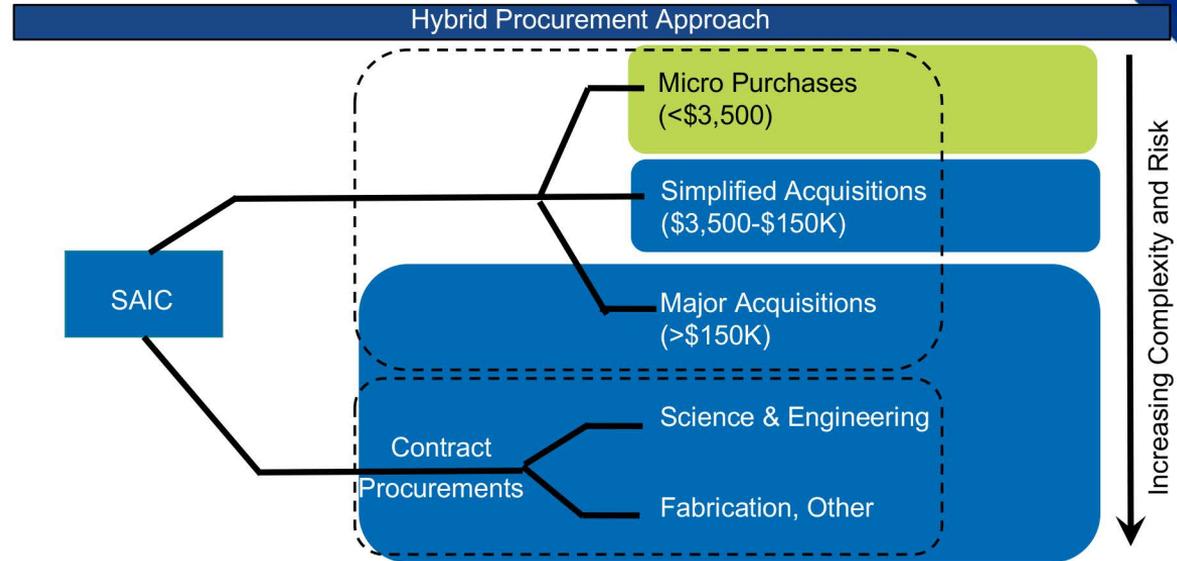
- The most complex and highest risk procurements are performed by SAIC, using our DCMA-approved purchasing systems and ISO-certified project management processes
- Simplified acquisitions can be performed by a Subcontractor, and micro purchases are performed by any SAIC designated OMES II employee. In all cases, we make these procurements, reducing risk, lowering cost
- Committed Procurement Expert (supported by Business Manager) has oversight and responsibility.
- Business and Procurement Manager maintains financial and transactional control, ensuring FAR- and NASA-compliant processes are followed.

Policies and Processes

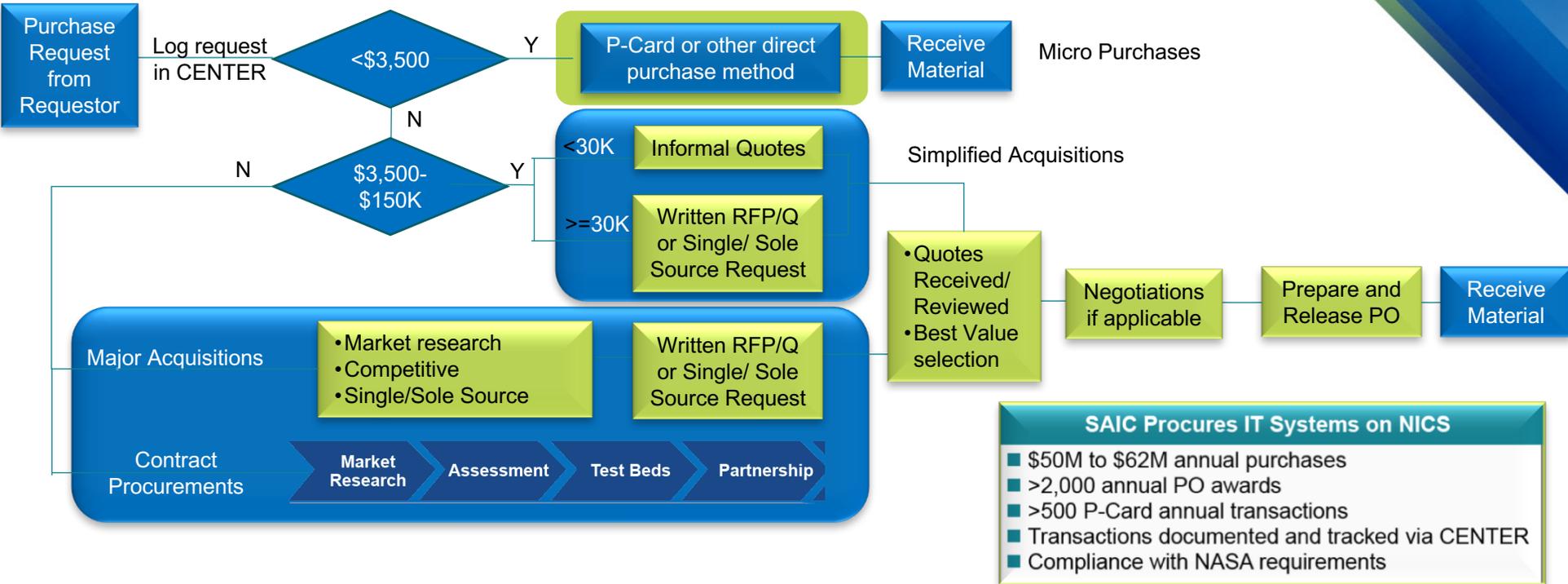
- SAIC-Policy-3 Procurement
- SAIC-Policy-4 Business Execution
- NID 7120.99 NASA IT Project Management

Tools Available

- P-Cards
- Procurement
- Subcontracting
- CENTER with tailored Procurement Module



Procurement Approach



SAIC's Approach to Fair & Reasonableness

- Methods for determining a Fair and Reasonable Price for the Government.
 - Competition along with Negotiations.
 - Prices Previously Paid by the Government or Other than Government
 - Parametric Estimates
 - Competitively Published Prices
 - Independent Estimates
 - Market Rate Comparison
 - Other Than Cost or Price Information
- Regardless of the type procurement (LPTA, Best-Value, P-Card) every transaction is documented, tracked, approved, and completed in our system and in accordance with the Prime Contract provisions and SAIC Best Practices and Policy

Federal Acquisition Rules on Price Reasonableness

- Federal Acquisition Regulation Part 13.1 allows Fair and Reasonable Determinations Based on These 7 Techniques:
 - Competitive Quotes
 - Market Research
 - Comparison to Previous Prices Paid
 - Current Price Lists, Catalogs, Advertisements
 - Comparison to Similar Items in the same Industry
 - Purchasing Officials Personal Knowledge
 - Independent Estimates

Price Submission to the Government for Award / Consent

- When submitting your Pricing to the Government include the following:
 - Price Analysis documents and determination
 - Market Research / Bid List
 - Detailed Bill of Material and Services

- Other material required by the Request for Quote / Request for Proposal

Questions?

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Resources

Federal Acquisition Regulation, Parts 13.1 and 15.4

Competitive Negotiations: The Source Select Process. Ralph Nash and John Cibinic. George Washington University. National Law Center, Chapter 5. VII, Evaluation of Costs to the Government